

Effect of COVID-19 in Nepal



Considering the accelerating global spread of the corona virus GoN has declared national lockdown till 15 April 2020. GoN has banned all the domestic and international flights and all public movement outside of the home, except in emergency conditions. Till now 9 confirmed cases of Corona Virus has been rule out while one case has been already recovered.

PKF Nepal Updates

Working from Home

Considering lockdown declared by the GoN to control the coronavirus, PKF Nepal team is working from home.

Staff leaving PKF Nepal

PKF Nepal extends its best wishes to the family members who decided to pursue their career in other entities. PKF Nepal expresses its gratitude to Upendra Buda Chhetri and Sushil Parajuli for their valuable contributions to PKF Nepal.

Recent Updates

Notices issued by NRB (Central Bank)

a) FX facility to Nepali students studying abroad

NRB on 11 April 2020 has issued a circular notifying the amendments to provisions relating to FX facility for students studying abroad and the commercial banks importing gold considering the current impact by the COVID-19 pandemic. Pursuant to the amendment, Nepalese students can be provided with FX facilities of USD 500 or equivalent convertible foreign currency for maintenance expenses without the requirement of No Objection Letter from Ministry of Education. Before this amendment no amount could be transferred to Nepalese students in abroad without obtaining NOC.

Similarly, NRB has revised daily import quota of gold for commercial banks from 20 kilograms to 10 kilogram per day to avoid liquidity crunch in the current situation. For details [click here](#).

b) Relief measures under the COVID-19

NRB, through its notification on 29 March 2020, has introduced a number of relief measures aimed at providing relaxation on repayment of loans for businesses and individuals impacted by the COVID-19 pandemic, ease liquidity in the banking system and promote electronic transactions and payment. For details [click here](#).

c) Continuation of services under COVID-19

NRB, through its notification dated 25 March 2020 directed licensed institutions to ensure the presence of minimum number of staff and provision of emergency services through limited

branches to facilitate the customers at this hour of emergency caused by the COVID-19 pandemic. For details [click here](#).

d) Qualification of Board of Directors and CEOs

NRB, through its notification dated 18 March 2020 has made amendment in 'Qualification and work experience for CEOs and BODs of BFIs Bylaw 2017' applicable to A, B, C & D class licensed institutions. Pursuant to the amendment person having bachelor or master degree on Computer Science and Information Technology also can be appointed as BOD and CEO as per the requirement of the post. Previously there was no provision of appointment of CEO and BOD member with such qualification. For details [click here](#).

e) Amendment in Credit Information Bylaw, 2059

Using power under section 110(2) of NRB Act 2058, NRB has made amendment in "Credit Information Bylaw, 2059". NRB has inserted provisions related to providing integrated credit information and credit score by BFIs upon receiving request to obtain the same from the borrower with or without obtaining fee. For details [click here](#).

Extension of due date of filing returns by IRD

MOF on 29 March 2020 has announced temporary relief measures to the taxpayers under the provisions of the Income Tax Act, Value Added Tax Act and Excise Act. Pursuant to the announcement the due dates for filing of eTDS, VAT and Excise returns and payment of TDS, VAT, Excise Duty for the month of Falgun 2076 which becomes due on 25 Chaitra 2076 (7 April

2020) has been extended to 25 Baisakh 2077 (7 May 2020).

The date for deposit of the 2nd instalment of the advance tax (70% of the estimated tax) has been extended by one month from 30 Chaitra 2076 (12 April 2020) to 31 Baisakh 2077 (13 May 2020).

Notice by IRD and Department of Customs

IRD has requested all organizations, governmental bodies, experts and stakeholders to provide suggestions on tax policy, income tax, VAT, excise and prevention of revenue leakage etc. within 22 April 2020 for the preparation of upcoming budget.

Similarly, Department of Customs has requested suggestions on review of custom rate, amendment required on act and laws, system development, administrative simplification and border management etc. within 7 April 2020.

Notice by Beema Samiti relating to relief measures

The Beema Samiti (Insurance Board) on 2 April 2020 announced relaxation on renewal of insurance policies, collection and payment of premium and claims, respectively to the insured and insurers considering the current impact of the COVID-19 pandemic.

In case of expiry of life insurance policies, the insurer shall make arrangements to renew insurance policy on receiving an application electronically.

Collection of life insurance premium has been extended till mid-June 2020 without charging any interest on it. The due dates for renewal of license of the surveyors and insurance agents has been extended to mid-May 2020. Previous notice issued by the Beema samiti had extended time limit only upto mid-March.

Beema Samiti on 29 March 2020 has issued circular relating to relief measures to employee going out of the country for foreign employment. Beema samiti has instructed to all life insurance company to facilitate those employee through online system. For details [click here](#).

Notice by NEPSE

NEPSE on 30 March 2020 has issued notice to extend period of closure of share market till 25 Chaitra. For details [click here](#).

Relief relating to SSF

Ministry of Finance on 29 March 2020 announced the relief measures relating to contributions to the Social Security Fund (SSF) stating that the Government of Nepal will deposit the contributions for the month of Chaitra 2076 (mid-March to mid-April 2020) on behalf of those employers and employees who are registered with the SSF and affected by COVID 19 pandemic.

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